



Provincial Auditor Saskatchewan

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February 28, 2002

The Honourable Ron Osika
Minister of Municipal Affairs and Housing
Room 315, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

Re: Municipal Potash Tax Sharing Administration Board

We have completed our audit of the Municipal Potash Tax Sharing Administration Board (Board) for the year ended December 31, 2001.

We used generally accepted auditing standards to conduct our audit.

The objectives of the audit were to form the following opinions in order to report the results to the Legislative Assembly:

- ♦ an opinion on the rules and procedures used by the Board to safeguard and control its assets and ensure compliance with authorities. We limited our audit to those authorities relating to financial reporting, safeguarding assets, revenue raising, spending, borrowing, and investing activities;
- ♦ an opinion on the Board's compliance with those authorities; and
- ♦ an opinion on the reliability of the Board's financial statements.

We found the Board's financial statements were reliable. The Board had adequate rules and procedures to safeguard and control its assets. The Board complied with the governing authorities referred to above. Accordingly, we found nothing of significance that should be reported to the Legislative Assembly.

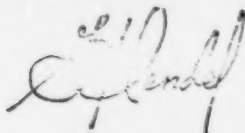
We did not design the audit to determine whether the rules and procedures were adequate for all of management's purposes. Nor would it likely reveal all opportunities for improvement or conditions requiring management's attention. We used, as is customary, selected tests of accounting records and related data.

The Honourable Ron Osika
February 28, 2002

2

We wish to acknowledge the co-operation extended to us by the staff and management of the Board.

Yours truly,



Fred Wendel, CMA, CA
Acting Provincial Auditor

/sm

cc: The Honourable E. Cline, Chair, Treasury Board
Mr. R. Styles, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Department of Finance
Mr. S. Harrison, Chair, Municipal Potash Tax Sharing Administration Board
✓ Mr. K. Engel, Secretary/Treasurer, Municipal Potash Tax Sharing Administration Board



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March 12, 2002

The Honourable Ron Osika
Minister of Municipal Affairs and Housing
Room 306, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

**Re: Municipal Potash Tax Sharing Administration Board
Financial Statements**

We enclose the financial statements of the Municipal Potash Tax Sharing Administration Board for the year ended December 31, 2001 and our report on these financial statements.

Yours truly,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/nb
Enclosure

cc: The Honourable E. Cline, Chair, Treasury Board
Mr. R. Styles, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Department of Finance
Mr. S. Harrison, Chair, Municipal Potash Tax Sharing Administration Board
✓ Mr. K. Engel, Secretary/Treasurer, Municipal Potash Tax Sharing Administration Board

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2001



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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2001 and the statement of operations and net financial assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
January 18, 2002

Fred Wendel, CMA, CA
Acting Provincial Auditor

Statement 1

**Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31**

	<u>2001</u>	<u>2000</u>
Financial Assets		
Current Assets:		
Cash	<u>\$21,139</u>	<u>\$22,599</u>
Net Financial Assets - (Statement 2)	<u><u>\$21,139</u></u>	<u><u>\$22,599</u></u>

(See accompanying notes to the financial statements)

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Revenue, Expenditures and Net Financial Assets
For Year Ended December 31

			2001	2000
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			\$6,226,636	\$6,226,741
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	\$3,278,389	\$364,266	3,642,655	3,640,833
Esterhazy	1,900,600	211,178	2,111,778	2,110,719
Pense	416,577	46,286	462,863	462,737
	<u>\$5,595,566</u>	<u>\$621,730</u>	<u>6,217,296</u>	<u>6,214,289</u>
Revenue held for general administration (Note 4)			9,340	12,452
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			6,000	6,000
Secretary-Treasurer's Honorarium			3,950	3,950
Board members' allowances:				
Per diem			700	700
Mileage			0	594
Sustenance			0	140
Insurance			150	150
			<u>10,800</u>	<u>11,534</u>
Surplus (Deficit) for the year			(1,460)	918
Net financial assets, beginning of year			22,599	21,681
Net financial assets, end of year - to Statement 1			<u>\$21,139</u>	<u>\$22,599</u>

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2001

1. Authority

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of *The Municipal Tax Sharing (Potash) Act*. Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers a tax sharing program. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of \$25,000, for the general administration of the Board. During the year, the Board withheld 0.15% of taxes received totalling \$9,340.

5. Municipal Taxes Received From Rural Municipalities

<u>Municipality</u>	<u>RM#</u>	<u>Budget 2001</u>	<u>Actual 2001</u>	<u>Actual 2000</u>
Rocanville	151	\$ 718,740	\$ 699,906	\$ 683,403
Spy Hill	152	784,287	763,736	826,501
Pense	160	463,664	463,559	463,664
Langenburg	181	611,925	651,308	605,045
Usborne	310	1,105,237	1,105,237	1,027,016
Colonsay	342	612,726	612,726	636,966
Blucher	343	577,907	577,907	644,076
Corman Park	344	566,863	566,863	567,095
Vanscoy	345	785,394	785,394	772,975
		<u>\$ 6,226,743</u>	<u>\$ 6,226,636</u>	<u>\$ 6,226,741</u>

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Municipal Potash Tax Sharing Administration Board.

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities

For the Year Ended December 31

	Budget 2001	Actual 2001	Actual 2000
Saskatoon/Lanigan Area			
<u>Rural Municipalities</u>			
279 Mount Hope	573	573	551
280 Wrexford	23,272	23,272	20,559
281 Wood Creek	2,553	2,553	2,536
283 Rosedale	1,267	1,267	1,258
309 Prairie Rose	56,884	56,884	56,544
310 Usborne	263,302	263,302	261,258
312 Morris	178,469	178,469	177,313
313 Lost River	119,273	119,273	118,480
314 Dundurn	106,397	106,397	105,945
315 Montrose	114,879	114,879	114,360
316 Harris	25,533	25,533	25,774
339 Leroy	37,543	37,543	37,300
340 Wolverine	258,960	258,960	257,661
341 Viscount	198,953	198,953	219,527
342 Colonsay	239,956	239,956	237,636
343 Blucher	430,140	430,140	427,861
344 Corman Park	486,461	486,461	497,104
345 Vanscoy	452,366	452,366	449,619
346 Perdue	96,627	96,627	96,160
371 Bayne	25,070	25,070	24,918
372 Grant	42,159	42,159	37,823
373 Aberdeen	100,806	100,806	89,700
376 Eagle Creek	16,946	16,946	16,863
	<u>\$3,278,389</u>	<u>\$3,278,389</u>	<u>\$3,276,750</u>
<u>Urban Municipalities</u>			
Town of Aberdeen	6,371	6,371	6,368
Town of Allan	37,742	37,742	37,724
Town of Asquith	7,164	7,164	7,160
Village of Bradwell	7,796	7,796	7,792
Village of Clavet	18,226	18,226	18,217
Town of Colonsay	23,011	23,011	23,000
Town of Dalmeny	16,600	16,600	16,591
Town of Delisle	45,162	45,162	45,139
Village of Drake	3,320	3,320	3,318
Village of Elstow	5,000	5,000	4,998
Village of Guernsey	6,936	6,936	6,932
Village of Kinley	417	417	416
Town of Langham	14,140	14,140	14,133
Town of Lanigan	63,657	63,657	63,625

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities

For the Year Ended December 31

	Budget 2001	Actual 2001	Actual 2000
Saskatoon/Lanigan Area			
<u>Urban Municipalities</u>			
Village of Lockwood	323	323	322
Town of Martensville	16,963	16,963	16,954
Village of Meacham	1,062	1,062	1,061
Village of Perdue	5,417	5,417	5,414
Village of Plunkett	1,142	1,142	1,142
Village of Vanscoy	16,989	16,989	16,981
Village of Viscount	15,860	15,860	15,852
Town of Vonda	3,884	3,884	3,883
Town of Warman	21,250	21,250	21,240
Town of Watrous	19,221	19,221	19,211
Village of Young	4,301	4,301	4,299
Village of Zelma	2,312	2,312	2,311
	<u>364,266</u>	<u>364,266</u>	<u>364,083</u>
	<u>3,642,655</u>	<u>3,642,655</u>	<u>3,640,833</u>
Esterhazy Area			
<u>Rural Municipalities</u>			
121 Moosomin	60,264	60,264	60,237
122 Martin	16,798	16,798	16,779
151 Rocanville	364,264	364,263	364,103
152 Spy Hill	501,528	501,528	501,738
153 Willowdale	49,456	49,456	49,511
181 Langenburg	375,801	375,801	375,517
183 Fertile Belt	319,771	319,771	318,731
211 Churchbridge	132,625	132,625	132,809
213 Saltcoats	80,095	80,094	80,222
	<u>1,900,602</u>	<u>1,900,600</u>	<u>1,899,647</u>
<u>Urban Municipalities</u>			
Village of Atwater	449	451	449
Village of Bangor	732	734	732
Resort Village of Birds Point	578	0	578
Town of Bredenbury	4,726	4,739	4,724
Town of Churchbridge	10,466	10,495	10,461
Town of Esterhazy	87,276	87,515	87,232
Village of Gerald	8,425	8,448	8,420
Town of Langenburg	13,613	13,650	13,606

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2001	Actual 2001	Actual 2000
Esterhazy Area			
<u>Urban Municipalities</u>			
Town of Rocanville	44,948	45,071	44,925
Village of Spy Hill	13,561	13,599	13,555
Village of Stockholm	4,572	4,584	4,570
Village of Tantallon	7,808	7,830	7,804
Village of Welwyn	7,500	7,520	7,496
Village of Yarbo	6,524	6,542	6,520
	<u>211,178</u>	<u>211,178</u>	<u>211,072</u>
	<u>2,111,780</u>	<u>2,111,778</u>	<u>2,110,719</u>
Pense Area			
<u>Rural Municipalities</u>			
129 Bratt's Lake	2,703	2,702	2,727
130 Redburn	55,182	55,170	55,854
131 Baidon	21,049	21,044	19,134
159 Sherwood	34,330	34,322	32,665
160 Pense	176,559	176,519	178,158
161 Moose Jaw	83,959	83,940	84,697
189 Lumsden	11,907	11,904	11,983
190 Dufferin	22,748	22,743	22,918
191 Marquis	8,234	8,233	8,327
	<u>416,671</u>	<u>416,577</u>	<u>416,463</u>
<u>Urban Municipalities</u>			
Village of Belle Plaine	3,178	3,178	3,177
Village of Bethune	4,656	4,655	4,653
Village of Briercrest	1,552	1,551	1,551
Village of Disley	633	633	633
Village of Drinkwater	4,321	4,319	4,318
Village of Grand Coulee	4,172	4,171	4,170
Village of Pense	26,519	26,513	26,506
Village of Tuxford	1,266	1,266	1,266
	<u>46,297</u>	<u>46,286</u>	<u>46,274</u>
	<u>462,968</u>	<u>462,863</u>	<u>462,737</u>
Total tax sharing - to Statement 2	<u>\$6,217,403</u>	<u>\$6,217,296</u>	<u>\$6,214,289</u>